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*Counsel to the Initial Debtors and Debtors in Possession*

*Proposed Counsel to the GK8 Debtors and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:

CELSIUS NETWORK LLC, *et al.*,<sup>1</sup>

Debtors.

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)  
) Chapter 11  
)  
) Case No. 22-10964 (MG)  
)  
) (Jointly Administered)  
)

**DECLARATION OF  
CHRISTOPHER FERRARO,  
INTERIM CHIEF EXECUTIVE OFFICER,  
CHIEF RESTRUCTURING OFFICER, AND  
CHIEF FINANCIAL OFFICER OF THE DEBTORS,  
IN SUPPORT OF (I) THE DEBTORS' SECOND EXCLUSIVITY  
EXTENSION AND (II) THE DEBTORS' OBJECTION TO  
THE MOTION TO APPOINT A CHAPTER 11 TRUSTEE**

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I, Christopher Ferraro, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

1. I am the interim Chief Executive Officer, Chief Restructuring Officer, and Chief Financial Officer of Celsius Network LLC (“Celsius,” and together with the above-captioned debtors and debtors-in-possession, the “Debtors”). I joined Celsius on March 21, 2022. I was appointed as Chief Financial Officer on July 11, 2022, and I was appointed as interim Chief Executive Officer and Chief Restructuring Officer by the Special Committee of Debtor Celsius Network Limited (the “Special Committee”) on September 27, 2022 following the resignation of the Debtors’ co-founder and former chief executive officer, Alex Mashinsky.

2. I am familiar with the *Debtors’ Objection to Immanuel Herrmann and Daniel A. Frishberg’s Motion to Appoint a Chapter 11 Trustee* (the “Objection”) and *Debtors’ Second Motion for Entry of an Order (I) Extending the Debtors’ Exclusive Periods to File a Chapter 11 Plan and Solicit Acceptances Thereof Pursuant to Section 1121 of the Bankruptcy Code and (II) Granting Related Relief* [Docket No. 1940] (the “Second Exclusivity Motion”)<sup>2</sup> and submit this declaration (this “Declaration”) in support of thereof.

3. In my capacity as the interim Chief Executive Officer, Chief Restructuring Officer, and Chief Financial Officer, I am generally familiar with the Debtors’ day-to-day operations, business, financial affairs, and the ongoing restructuring efforts. Except as otherwise indicated, all facts in this Declaration are based upon (a) my personal knowledge of the Debtors’ operations, (b) my discussions with other members of the Debtors’ management team and advisors, and (c) my review of relevant documents and information concerning the Debtors’ operations. I am over the age of eighteen and authorized to submit this Declaration on behalf of the Debtors. If called upon to testify, I could and would testify competently to the facts set forth herein.

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Objection or the Second Exclusivity Motion, as applicable.

### **Qualifications**

4. I have approximately two decades of experience in financial planning and analysis activities, asset and liability management, and product control. Before my roles with Celsius, I was a Senior Managing Director at Cerberus Operations & Advisory Company ("Cerberus"), where I focused on improving the operating returns for two legacy portfolio positions. In this role, I advised the chief executive officer and leadership team on increasing profitability by changing and repricing business mix, restructuring costs, and optimizing the balance sheet.

5. Prior to Cerberus, I served in various roles at JPMorgan Chase & Co. from 2001 to 2018. I was the head of Financial Analysis and a Senior Leader, where I was responsible for all financial, planning, and analysis activities, developed analytical tools, and authored a patent application in forecasting. Before my role as head of Financial Analysis and a Senior Leader, I was the Treasurer of the Consumer Bank and the Retail Loan Pricing Manager.

6. I hold a Bachelor's degree in Economics, Finance, & Accounting from the University of Washington. I also passed the Washington state Uniform Certified Public Accountant Examination.

### **Responsibilities**

7. In my roles as interim Chief Executive Officer and Chief Restructuring Officer, I oversee the Debtors' day-to-day business operations, including maintaining the Debtors' retail platform, supporting the Debtors' restructuring efforts, and managing the Debtors' mining business, among other responsibilities. I regularly engage with the Debtors' advisors, and I report directly to the Special Committee, with conferences being held on a weekly (sometimes daily) basis, as needed. I also communicate with the co-chairpersons of the official committee of

unsecured creditors (the “Committee”) on a weekly basis (or more frequently, as necessary) to discuss the Debtors’ restructuring efforts.

8. During my tenure, I have worked closely with the Debtors’ advisors and Special Committee in the pursuit of a value-maximizing transaction that will bring these chapter 11 cases to a close as swiftly as possible. As the Debtors pursued a dual-track process marketing all of their assets for sale while simultaneously developing a path towards a standalone reorganization, I have been—and remain—actively engaged in the Debtors’ restructuring efforts. I have participated in numerous in-person discussions and teleconferences with potential bidders, and engaged in extensive negotiations with a potential plan sponsor and the Committee (frequently on a daily basis) to structure a value-maximizing transaction. As a result, the Debtors, in consultation with the Special Committee and Committee, anticipate entering into definitive documentation with a potential plan sponsor in the coming weeks once negotiations are finalized. In parallel, my team and I have been working with the Debtors’ advisors to develop a framework for a viable standalone reorganization.

9. In addition to the restructuring efforts, I have overseen, among others, the following initiatives in the management of the Debtors’ day-to-day operations:

- cooperating with the Committee, U.S. Trustee, and regulatory agencies in responding to ongoing diligence requests;
- addressing hundreds of diligence requests from the Examiner;
- preparing and filing schedules of assets and liabilities and statements of financial affairs, as well as ongoing monthly operating reports and other required disclosures, for the Initial Debtors and GK8 Debtors;
- retaining critical employees pursuant to the Debtors’ key employee retention program;
- securing Court approval of the sale of the GK8 Debtors’ assets and taking all necessary steps to effectuate that sale transaction (including filing the GK8 Debtors for chapter 11 and obtaining first-day relief for such entities);

- securing additional liquidity to fund the Debtors' operations via the sale of stablecoin as well as the proposed sale of Bitmain coupons and other mining assets; and
- coordinating the distribution of digital assets that are not property of the Debtors' estates to account holders.

10. Importantly, the Debtors' workforce has decreased from approximately 669 employees as of the Petition Date to approximately 167 to date. As a result, I, along with the remaining workforce, have assumed additional responsibilities, including the burden of the significant chapter 11-related tasks.

11. I have not had any contact with Mr. Mashinsky or Mr. Leon following the transition of their duties when they resigned. Since their resignations, neither Mr. Mashinsky nor Mr. Leon have had any involvement with the Debtors' day-to-day operations, nor are they involved in any aspect of the Debtors' restructuring efforts, including the marketing process and negotiations thereof.

*[Remainder of page intentionally left blank]*

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: February 13, 2023

/s/ Christopher Ferraro

Name: Christopher Ferraro

Title: Interim Chief Executive Officer, Chief  
Restructuring Officer, and Chief Financial  
Officer of Debtor Celsius Network LLC